



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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Bulletin 6-81

ACT 718 OF 1981

April 30, 1981

The above captioned law, effective June 17, 1981, requires insurers to give an "appropriate" reduction on automobile liability and physical damage premiums to insureds who are 55 years of age or older and who have successfully completed an approved motor vehicle accident prevention course.

The Arkansas Department of Motor Vehicles (Office of Driver Services) is the State agency designated in the Act to approve the accident prevention course and the instructors for the course. Questions regarding the course should be directed to the Office of Driver Services.

In the Department's opinion, the Act was intended to apply only to private passenger automobile liability and physical damage premiums when the principal operator of the insured vehicle is the holder of a proper certificate of qualification.

At least ten (10) days prior to the effective day of the Act, insurers must have the necessary rate filing on file with the Department in order to be in a position to comply with the Act immediately upon its effective date.

Insurers should note that, as of June 17, 1981, Act 718 of 1981 repeals Act 916 of 1979 which mandated a 15% discount on liability insurance for persons 65 years of age or older who successfully completed an approved National Safety Council Defensive Driving Course. Discounts presently allowed pursuant to Act 916 of 1979 will continue until the renewal date of the policy.

Upon receiving evidence of qualification of an insured for the appropriate reduction, the insurer must apply the reduction no later than the next renewal date of the policy.

W. H. L. Woodyard, III
INSURANCE COMMISSIONER